GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:2293
ANSWERED ON:04.12.2000
ALLOCATION OF LIQUIFIED FUEL FOR POWER FOR MAHARASHTRA
ASHOK NAMDEORAO MOHOL

Will the Minister of POWER be pleased to state:

(a) whether the Government have allocated only 950 MW capacity of liquid fuel forMaharashtra State which is much lower than the capacity allocated to other States;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government have received any proposal from the State Governmentto increase the allocation capacity of liquid fuel upto 18103 MW; and

(d) if so, the action taken by the Union Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : The liquid fuel policy permitting the use of certain liquid fuels as primary fuels for generation of power was announced in November, 1995. This was done considering the inescapable need for creation of some liquid fuel based power generation capacity, which could be brought on stream quickly to meet the immediate power requirements, as compared to other thermal projects, etc. which have longer gestation periods. However, since the allocation of liquid fuel sought by the State Governments far exceeded the sustainable capacity to use these fuels for power generation, a decision was taken in December, 1996 to place a ceiling of 12,000 MW for the country which could be based on liquid fuels. This capacity was further distributed among the different States on the basis of the then existing and likely levels of shortages to be faced by the States by the end of the 9th Five Year Plan. The State of Maharashtra was given an allocation of 950 MW based on liquid fuels. This allocation is lower than that given to some of the other States while it is greater than the allocation given to some States like Haryana, Kerala, Punjab and Tamil Nadu.

(c) : The Chief Minister of Maharashtra had written to the Prime Minister on17.6.1997 requesting for allocation of liquid fuels to 7 medium sized power projects having a total capacity of 1200 MW at locations in the Maharashtra IndustrialDevelopment Corporation (MIDC) area, over and above the allocation of 950 MW given to the State. In this letter, it was, inter-alia, mentioned that the expected installed capacity in the State of Maharashtra by the end of the 9th Five Year Plan would be around 18103 MW. Thus, there was no request by the Government of Maharashtra (GoM) to increase the allocation capacity of liquid fuel upto 18103 MW.

(d) : The request of GoM for additional fuel linkage to the 7 projects mentioned abovewas considered where after the State Government was informed that it would not be possible to accommodate recommendations beyond the allocated capacity. Meanwhile, through some modifications in the liquid fuel policy announced in July, 1998, the ceiling of 12000 MW was retained only for naphtha. Further, in view of the sharp hike in the global prices of naphtha, it is no longer considered a viable and economical fuel for allocation to new power projects.